

**Minimum Vocational Competencies Based Curriculum  
in  
ACCOUNTANCY AND AUDITING**

EXPERTS

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## INTRODUCTION

These days Education Departments in different States are engaged in the task of preparing curricula in different vocational areas for the higher secondary Vocational stream. If such curricula are to have any value, they should be based on sound and practical principles. Effective teaching depends on many factors, but unless a teacher is able to organise instructional material into worth-while educative experiences, many of these factors will lose their potentialities.

Although a course of study is necessary for all instructional areas, it is of even greater significance in situations where manipulative processes are involved. When learning deals with performance type activities, some kind of analysis is necessary. Otherwise it will be impossible to identify and assemble a core of essential skills and related knowledge which will achieve desired goals. Furthermore manipulative operations require a certain sequential order of performance. Therefore, teachable content must have a logical and methodical manner of presentation. Without good instructional organisation, learning is likely to be haphazard and ineffective. Therefore identification of minimum competencies is an essential exercise before designing and planning suitable curricula for vocational subjects.

Accountancy and Auditing is one of the most demanded subjects under the scheme of Vocationalization of Education in different States. But unfortunately the course by and large remains traditional in nature. The needed skill training is not being imparted properly. Theory and practice do not go together. The teachers do not have clear ideas about practicals.



Therefore, some drastic changes are necessary in the process of curriculum planning.

The Department of Vocationalization of Education of the NCERT organised a workshop at the NIE Campus, New Delhi from 14th to 20th Sept. 1984 for identification of minimum vocational competencies in (i) Accountancy and Auditing; and (ii) Taxation Practices and to spell out knowledge, skills and personality traits components. In this workshop the jobs, duties and tasks have been systematically analysed by a number of experts, field workers, teachers, curriculum framers in order to identify minimum vocational competencies in the area concerned.

In the area of Accountancy and Auditing the experts identified 7 job opportunities under wage and self-employment with 78 frequently performed tasks and duties and 11 course objectives. The curricula developed in the workshop include class-wise course content, time allocation, list of books and equipment, staff and space requirements, etc. for implementing the course on systematic lines.

It is hoped that the present exercise - designing competencies based curriculum which has been done on the basis of job analysis and actual duties performed by the accounts clerks and audit clerks in various offices will prove useful for the students, teachers, teacher-educators, curriculum planners, accountants, auditors, employers and public at large. In fact this will help in making the programme really job and employment oriented.



MINIMUM VOCATIONAL COMPETENCIES IN ACCOUNTANCY AND AUDITING

1.

1. SCOPE OF THE VOCATION (Job Opportunities):

I. WAGE EMPLOYMENT

1. Account's Clerk/Accounts Assistant
2. Book Keeper
3. Cashier/Cash Clerk/Cash Counter Clerk
4. Ledger Keeper/Ledger Clerk
5. Cost Clerk/Cost Assistant
6. Audit Clerk/Audit Assistant

II. SELF EMPLOYMENT

Performing independently accounting activities under any  
of the aforesaid jobs.



2. DUTIES TO BE PERFORMED UNDER EACH JOB

JOB: Accounts Clerk/Accounts Assistant

- i) Recording financial transactions and maintaining related books and records
- ii) a) Receiving and processing Bills/Vouchers and other documents concerning Purchases, sales, receipts and payments and checking their accuracy including treatment of invoice and Account/Salos.
- b) Preparing supporting Accounting Vouchers.
- c) Entering in cash book, journal, ledger and other books of Accounts
- iii) Preparing bills for Pay and Allowances and other sundry statements
- iv) Calculation of the deductions in respect of Income-tax, Provident Fund and entering them into pay-rolls of staff
- v) Preparing periodical returns and statements of expenditure, receipts, etc.
- vi) Maintaining Provident Fund Accounts, incorporating monthly contributions, withdrawals, accruals, of interest, etc.
- vii) Preparing Bank Reconciliation Statement, Trial Balance, Final Accounts with usual adjustments.
- viii) Operation of calculation Machines
- ix) Undertaking rectification of errors, if any.
- x) Reporting to appropriate accounting authorities.



JOB: BOOK-KEEPER

- i) Receiving and arranging the documents (bills/vouchers, invoices etc. in serial order)
- ii) Entering the accounting transactions in the proper books of accounts with the help of supporting account; vouchers.
- iii) Totalling; and balancing of different books of accounts.
- iv) Preparing the Trial Balance
- v) Filing the documentary evidence pertaining to the financial transactions.
- vi) Operation of calculating Machines
- vii) Preparing Debtors Statements and Creditors Statement.
- viii) Preparing property schedules

JOB: LEDGER CLERK/LEDGER KEEPER

Tasks to be performed:

- i) Receiving bills, cheques, drafts, debit notes, credit-notes and other vouchers from cash section and other departments for making necessary entries in various accounts.
- ii) Making entries in relevant ledgers
- iii) Calculating interest due and payable
- iv) Ascertaining the balances of various accounts



- v) Operating calculating machines
- vi) Preparing extracts/statements from ledgers for sending them to customers from time to time.
- vii) Attending to customers' enquiries
- viii) Preparing abstract statement from the ledgers indicating day's transactions for tallying by Cash Section.

JOB: CASHIER/CASH CLERK/CASH COUNTER CLERK

1. Making and receiving payments:

- i) receiving cash at the counter from customers and other parties
- ii) receiving cheques, drafts, postal orders, and money orders
- iii) making payment of wages, salaries etc. to staff against the passed bills, vouchers etc.
- iv) Counting cash, examining currency notes and coins to detect counterfeit ones.
- v) issuing receipts for the remittances received under (i) & (ii) above
- vi) obtaining receipts for the payments made.
- vii) keeping cash and other valuables in Cash-chest, Vaults and Strong-room.
- viii) depositing money into treasury or/and bank and preparing challans/pay-in-slips for the same
- ix) withdrawing money from the treasury/bank and preparing bills/cheques for the same.



i)

x) operating calculating machines

2. Maintaining record of cash transactions

- i) Making entries of receipts and payments in the cash book and other relevant registers
- ii) making entries of drafts, postal orders, money orders etc. in the 'Valuables received register'
- iii) closing records at the end of the day by totalling/balancing the same
- iv) preparing daily statements of receipts and payments
- v) sending paid in bills, vouchers, slips etc. to ledger clerk for posting
- vi) rendering periodical statements of cash transactions to supervising authorities
- vii) assisting accountant in the preparation of 'Bank reconciliation statement, final accounts and budgets

3. Controlling petty cash transactions

- i) advancing the imprest money to the petty cashier and keeping its record.
- ii) verification of petty cash book entries



JOB: COST CLERK/COST ASSISTANT

Tasks to be performed:

- i) Making entries in the stores ledger from the related documents.
- ii) Preparing materials, abstracts and wage sheets.
- iii) Preparation of statement of primary and secondary distribution of overheads.
- iv) Computing Labour hour rate/machine hour rate
- v) Preparing cost statements
- vi) Assisting Cost Accountant in calculating production/operation costs for use in framing estimates and preparing profit and loss statements.
- vii) Presenting tabulated date in prescribed form/manner to the cost accountnt.
- viii) Preparing simple marginal cost statements
- ix) Operating calculating machines

JOB: AUDIT CLERK

- i) Examining documentary evidence of business transactions in order to determine its authenticity validity and accuracy
- ii) Checking arithmetical accuracy of accounts
- iii) Verifying the titles and existance of fixed assets.
- iv) Ensuring proper distinction between capital and revenue items.



- v) Ensuring compliance with the Statutory Requirements(P/F, ESI, ISI, Audit Report etc.
- vi) Detecting the errors and frauds and getting them corrected.
- vii) Reporting to the appropriate authorities regarding truth and firmness of accounts.
- viii) Providing assistance in interpretation of figures or ratios.
- ix) Undertaking investigations and preparing reports thereof
- x) Preparing and implementing audit programme
- xi) Maintaining audit notebook and working papers
- xii) Conducting test checks
- xiii) Helping the external auditor in the above matters.
- xiv) Reviewing the systems and procedures for the purchase, storage, issue of materials.
- xv) Ensuring minimization wastage and elimination of abnormal wastage of materials
- xvi) Ensuring a proper distinction between wastage, scrap, defectives and seconds
- xvii) Noting abnormal wastage. Examining that it is properly treated in costing
- xviii) Introducing suitable internal checks in purchase, store and issue procedures.
- xix) Reviewing the systems and procedures for hiring and compensating the labour force.



- xx) Suggesting steps to eliminate abnormal wastage of labour.
- xxi) Checking the time booking and time keeping records.
- xxii) Examining maximum utilization of fixed costs.
- xxiii) Helping in:
  - a) Examining the system of accounting in force.
  - b) Testing the validity(soundness) of the internal control.



3. TASK ANALYSIS (Identification of Knowledge, Skills and Personality Traits)

JOB: ACCOUNTS CLERK/ACCOUNTS ASSISTANT

No.	Tasks	Knowledge	Knowledge / Skill	Practice/Skill	Personality Traits
1	2	3	3	4	5
1.	Recording financial transactions and maintaining financial and Records	<ul style="list-style-type: none"> <li>- accounting Principles and Methods</li> <li>- Type of Accounts</li> <li>- Books of accounts</li> <li>- Entering, posting and closing the accounts</li> </ul>	<ul style="list-style-type: none"> <li>- Ability to apply the principals and methods of accounts</li> <li>- Preparation of different books of accounts</li> </ul>	<ul style="list-style-type: none"> <li>- Commonsense</li> <li>- Prudence</li> <li>- Neatness</li> <li>- Good handwriting</li> <li>- Loyalty</li> <li>- Efficiency</li> <li>- Accuracy</li> </ul>	
2(a)	Receiving and processing Bills/Vouchers/other documents concerning purchases, sales proceeds and payments and checking their accuracy (including Invoices & Account sales)	<ul style="list-style-type: none"> <li>- bills, Vouchers and other relevant documents</li> <li>- Invoices and Account sales</li> </ul>	<ul style="list-style-type: none"> <li>- ability to process the bills/vouchers/other documents</li> <li>- Preparing accounts on the basis of the above documents</li> <li>- Preparation of Invoices and Account Sales</li> </ul>	<ul style="list-style-type: none"> <li>- Analytical ability</li> <li>- Accuracy</li> <li>- Honesty</li> <li>- Decisiveness</li> <li>- Neatness</li> </ul>	
2(b)	Preparing supporting Accounting Vouchers	<ul style="list-style-type: none"> <li>- Need of the supporting Accounting Vouchers</li> <li>- Format of such vouchers</li> </ul>	<ul style="list-style-type: none"> <li>- Ability to prepare Supporting Accounting Vouchers for all business transactions</li> </ul>	<ul style="list-style-type: none"> <li>- Accuracy</li> <li>- Commonsense</li> <li>- Handwriting,</li> <li>- Analytical ability</li> <li>- Neatness</li> </ul>	



1	2	3	4
3.	Preparing Bills for pay and allowances and other statements	- Rates and scales of pay and allowances	- Ability to prepare the Bills for pay and Allowances Handwriting, Accuracy Efficiency Promptness Commonsense Analytical Neatness
4.	Calculation of the deductions in respect of Income tax, provident fund and entering them into pay rolls of staff	- Permissible Rates of deductions to be made on various accounts - Format of Pay rolls	- Ability to calculate the deductions in respect of income tax and provident fund Accuracy, Practical Promptness Commonsense Analytical Neatness
5.	Preparing periodical returns and statements of expenditure receipts etc.	- Purpose of different returns	- Ability to prepare periodical returns and statements of expenditure and receipts etc. Good memory, Alertness Accuracy Analytical ability Neatness Commonsense Promptness
6.	Maintenance of provident fund Accounts, ESI(Employees and EFPS Rules State Insurance)EFPS(Employees Family Pension Scheme incorporating monthly contributions, withdrawal accruals of interest etc.	- Provident Fund, ESI - Loan rules - Treatment of accruals of interest - Need for P/F Pass Books/ annual statements.	- Ability to maintain and record the entries in P.F. accounts - Ability to work out interest at permissible rates - Preparation of P.F. Pass Books/statement of the individual employees - Processing Loan/ withdrawal application Accuracy Neatness Promptness Good handwriting Efficiency Good memory Patience Commonsense



1.	2.	3.	4.	5.
7. Preparing Bank Reconciliation statement, Trial Balance and Final Accounts with usual Adjustments	<ul style="list-style-type: none"><li>- Bank reconciliation statement</li><li>- Trial Balance</li><li>- Various types of Adjusting Closing entries</li><li>- Final Accounts</li><li>- Format of the above</li><li>- Adjustments</li></ul>	<ul style="list-style-type: none"><li>- Ability to prepare bank reconciliation statement</li><li>- Ability to prepare Trial Balance</li><li>- Ability to pass</li><li>- Closing Entries</li><li>- Ability to prepare Final A/cs,</li></ul>		As in 6 on propagation
8. Operation of calculation Machines	<ul style="list-style-type: none"><li>- Need of various calculating Machines</li><li>- Various purposes for which machines are used.</li></ul>	<ul style="list-style-type: none"><li>- Ability to operate the machines and achieve desired results.</li></ul>		<ul style="list-style-type: none"><li>- Vigilance</li><li>- Patience</li><li>- Commonsense</li><li>- Practical</li><li>- Cooperation</li><li>- Analytical</li></ul>
9. Undertaking Rectification of Errors	<ul style="list-style-type: none"><li>- Various types of errors</li><li>- Effect on the Trial Balance and Let us write</li><li>- Methods of rectification</li><li>- Difference between the correct record and incorrect record.</li></ul>	<ul style="list-style-type: none"><li>- Ability to identify and rectify the errors at different stages</li></ul>	<ul style="list-style-type: none"><li>- Ability to display the effect of errors on profit and capital</li></ul>	<ul style="list-style-type: none"><li>- Commonsense</li><li>- Accuracy</li><li>- Promptness</li><li>- Patience</li><li>- Vigilance</li><li>- Prudence</li></ul>



10	2	3	4	5
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10. Reporting to appropriate accounting authority	- Proper authorities - Briefs regarding debtors, creditors, stock etc. (Debt-Schemes-age-wise) -	- Ability to prepare various reports in precise forms	- Loyalty - Accuracy - Promptness - Patience - Honesty
11. Making and receiving payments			
11(a) Payment to Suppliers etc.	As in 7		
11(b) Receiving cheques and drafts			
12. Helping accountant in the preparation of budgets, Final Accounts etc.			
13. Procuring Bank Guarantee and establishing letter of Credit	- Knowledge of purchase Order		



JOB: BOOK KEEPER

1.	2	3	4	5
1. Receiving and Arranging the documents (Bills, Vouchers, invoices, etc.)		- Documents, their format, Bills, invoices, Accounts sale, etc.	- Skill in arranging documents - Practices in preparing Bills, invoices etc. - Skill in checking accuracy	- Accuracy - Neatness - Efficiency
2. Entering the Accounting Transactions in the proper books of Accounts		- Various books of Account/ Principles of entering accounting transactions supporting vouchers - debit note, credit note etc.	- Practices in making entries - Practices in preparing relevant vouchers	- do-
3. Totalling and balancing		- Books of Accounts Simple rules of arithmetic, knowledge of closing the different Accounts	- Skill in arithmetical calculation - Practices in closing the Accounts	- do- - Promptness - Judgement & - Commonsense
4. Preparing the Trial Balance		- Trial Balance, Credit balance, debit balance, format of Trial Balance	- Practices in preparing T/B	- Accuracy - Neatness - Efficiency
5. Filing the documentary Evidence		- Documents, filing procedures - Skill in filing		- Promptness - Commonsense - Judgement



1... 2 3 4 5

6. Operation of calculating machines	- functions and types of calculating machines	- skill in operating calculating machines	- Accuracy
7. Preparing debtors' and Creditors' Statement	- Contents of Debtors and Creditors' statement	- Practices in Preparing the statement	- Efficiency
8. Preparing property schedule	- items in property schedule, depreciation format of property schedule	- Practices in preparing property schedule	-do-

JOB: LEDGER CLERK/LEDGER KEEPER

1. Receiving bills etc.	- negotiable instruments sale and purchase documents, Vouchers for income and expenses	- examining the documents	- Efficiency
2. Making entries	- ledgers and its uses and rules for making entries	- To make ledger posting	- Efficiency
3. Calculating interest	- methods of calculating interest	- To calculate interest	- Accuracy
4. Ascertaining balance	- methods of striking balances	- To ascertain balances	- Efficiency
5. Operating calculating machines	- functions and utility of calculating machines	- handling calculating machines	- Accuracy



1	2	3	4	5
5.	Operating calculating machines	- functions and utility of calculating machines	- handling calculating machines	- Efficiency
6.	Attending to Customers' enquiry relating to account	- sources of information, information which should not be disclosed	- extracting of information from the ledger and presentation thereof	- Courtesy - Cheerfulness - Good speech habits thereof
7.	Preparing extracts	-do-	-do-	- Promptness - Neatness
8.	Preparing Abstracts	- preparation of abstract statement	- preparing abstracts	-do-

JOB: CASHIER/CASH CLERK/CASH COUNTER CLERK

1. making & receiving payments
  - a) receiving cash at the counter - elements of accounting currency denominations coins etc.
  - b) receiving cheques etc. - negotiable instruments crossing, endorsement thereof, postal remittances
  - c) Payment of wages etc. - Payroll contents, T.A. D.A. rules

- Skill in counting - Patience  
- Ability to detecting - Promptness  
counter feit notes, - Accuracy  
coins etc. - Acceptance of responsibility  
- Judgment, - Commonsense  
- Efficiency - Following directions  
- Efficiency - Neatness  
- Accuracy - Courtesy  
- Efficiency - Alertness  
mathatical disbursement  
- examination of bills



1	2	3	4	5
d) payment to supplier etc.	- modes of payment	- preparing cheques from vouchers	- Accuracy - Honesty	
e) counting cash and tallying with the daybook/cash book	- elements of accounting currency denominations, coins etc.	- skill in counting - ability in detecting counterfeit, notes, coins etc.	- Accuracy - Honesty	
f) issuing receipt	- Proforma of receipt, rules regarding affixing of stamps etc.	- ability to prepare receipts	- Acceptance of responsibility - Promptness	
g) obtaining receipt	- same as in (f) above	- ability to examine validity of receipts	- Judgement - Commonsense	
h) keeping cash in cash chest etc.	- operation of different types of chests etc.	- operating cash chest, strong room	- Dependability - Honesty	
i) depositing money	- elementary idea of working of treasury, and banks, documents, used in connection with	- preparing pay-in-slip, challans and documents	- Neatness - Accuracy	
j) withdrawing money	- same as in (i) above - crossing & endorsement of cheques/demand drafts	- same as in (i) above	- do-	
k) operating calculating machines	- different types of calculating machines and their operation	- ability to operate calculating machines	- Efficiency	



1	2	3	4	5
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1) exchanging soiled notes from banks	- procedures for exchanging soiled notes, proforma	- Practice of filling in the proforma	-
<b>2. Maintaining Records of Cash-Transactions</b>			
a) making entries of cash, transactions	- rules regarding debit and credit different heads of account; single, double and triple column cash book.	- making entries in the cash book	- Punctual
b) making entries of valuables received	- contents of valuables register	- making entries in the register	- Accuracy
c) totalling/balancing	- same as in (a) above location of errors and their rectification.	- arithmetical calculation	- Honesty
d) Preparing daily statements	- receipts and payments statements	- ability to prepare statements of receipts and payments.	- Efficiency
e) sending paid in vouchers to ledger clerk.	- clarification of different types of vouchers.	- arrangement of vouchers for despatch and taking follow up action.	- Accuracy
			- Efficiency



1	2	3	4	5
f) rendering periodical statements	-same as in (d) overleaf	- same as in (de) overleaf	same as in (i)	
g) assisting accountant in the preparation of Bank reconciliation statement	-banking bank reconciliation statement	- ability to prepare bank reconciliation statement,	- Following directions	- Accuracy - Efficiency

3. Controlling Petty Cash Transactions

a) Advancing imprest money and keeping its records	- imprest, system, petty cash book	- checking the totals and balancing of the petty cash book	- Efficiency - Cooperation
b) Reimbursing money to petty	Verification of petty cash book entries	- same as in (a) above	- same as in (a) above -do-

JOB: COST CLERK/COST ASSISTANT

1. Making entries in the stores ledger	- documents used in connection with the receipt and issue of stores, methods of pricing the issues, procedure for making entries in the stores/ledger	Writing the stores ledger	- Efficiency
2. Preparing abstracts and reports	- method of preparing material abstracts, wages cost and wages analysis sheet	- calculating material	- Accuracy



1.	2.	3	4	5	5
3. Preparation of overhead statements		- costcenter, primary + secondary distribution of overhead	- calculating material cost and wages	- Accuracy	
4. Computing labour hour rate, machine hour rate		- absorption of overheads different methods	- preparation of distribution summaries allocation of overheads, computing labour hour/ machine hour rate	- Accuracy - Efficiency	
5. Provident cost statement		- element of cost, cost sheet, statement showing profits	- preparing cost sheet	- Accuracy - Efficiency	
6. Assisting costing departments		- same as in (5) above	-do-	-do-	
7. Presenting tabulated data		- classification of different items of cost and their treatment	- preparing table - skill in presenting data	- Accuracy - Promptness - Following directions	
7(a) Preparation of integrated Cost & Financial Statements		- Integrated system of cost and financial accounting	- preparation of control accounts	- Accuracy - Efficiency - Analytical approach	
8. Preparing simple marginal cost statement		- fixed + variable expenses marginal costing and marginal cost statement marginal cost equation P/V ratio, break even analysis	- preparing marginal cost statement - calculating P/V ratio and break even point	- Accuracy - Commonsense + Judgement	
9. Operating calculating machines		- functions + utility of calculating machines	- handling the calculating machines	- efficiency	



1. 2. 3. 3. 4. 5.

JOB: AUDIT CLERK/AUDIT ASSISTANT

1. Examining documentary evidence in order to determine its authority, validity and accuracy
  - different business documents
  - identifying the accounts and valid documents
  - Tactfulness
  - Analytical
  - Honesty
2. Checking arithmetical accuracy of Accounts
  - Trial Balance and dual aspect of each transaction
  - Preparation of Trial Balance
  - Impartiality
  - Patience
  - Vigilence
3. Verifying the titles and physical existence of fixed assets.
  - various fixed assets and title documents
  - Identification of the fixed assets and comparing the same with their corresponding amounts in the Balance Sheet
  - Sound
  - Commonsense
  - Ability to maintain secrecy
  - Good handwriting
4. Ensuring proper distinction between Capital and Revenue items/deferred exp.
  - Capital and Revenue items
  - Deffered expenditure
  - Identifying the nature of Capital and Revenue items and their effect on the profit and capital
  - Communicative Skill
  - Smartness
  - Practical
5. Ensuring compliance with the statutory requirements (P/F, ESI, ISI, Audit Report).
  - Different statutory requirements
  - Ability to abide by the statutory requirements
  - as given above
6. Detecting the errors and frauds and getting them corrected
  - Correct entry of the transaction
  - ability to record correct entries
  - do-



2	3	4	5
	<ul style="list-style-type: none"> <li>- balancing techniques</li> <li>- various types of errors</li> <li>- effect of each error on Trial Balance</li> <li>- procedure for rectification at various stages</li> <li>- possibilities of omissions</li> </ul>	<ul style="list-style-type: none"> <li>- ability to distinguish between correct and incorrect records</li> <li>- ability to eliminate the net effects of incorrect records</li> <li>- ability to detect the omitted transaction through various checks.</li> </ul>	
7. Reporting to the appropriate authority regarding truth and fairness of accounts	<ul style="list-style-type: none"> <li>- appropriate authorities</li> <li>- report writing</li> <li>- true and fair view about the accounts</li> <li>- principle of disclosure</li> </ul>	<ul style="list-style-type: none"> <li>- ability to write the reports</li> <li>- ability to judge what is true and fair about accounts</li> <li>- to detect undisclosed accounting information.</li> </ul>	
8. Providing assistance in interpretation of figures	<ul style="list-style-type: none"> <li>- ratio analysis</li> </ul>	<ul style="list-style-type: none"> <li>- ability to find out different ratios</li> </ul>	<ul style="list-style-type: none"> <li>- Communication skill</li> <li>- Smartness</li> <li>- Practise</li> </ul>



1 2

9. Undertaking investigations and preparing reports thereof.	- investigation techniques	- ability to interpret and draw inferences	
	- scope and subject of investigation	- ability to investigate	
	- period of investigation	- ability to write the investigation reports	
	- reporting techniques	- ability to read between the lines	
10. Preparing and implementing audit programme	- need and importance of the programme	- ability of carrying out the audit appropriately.	- Communicative skills
	- stages of undertaking audit programmes	- ability to prepare the audit programme in detail	- Smartness
	- various vouchers and accounts books	- ability to assess the extent of work completed.	- Practical
	- procedure of conducting the audit programme		
	- various stationery items needed during audit programme		
	- need and importance of audit notebook		
	- the contents to be noted in the notebook		



1	2	3	4	5
11. Maintaining an audit notebook and working papers	- the contents to be noted in the notebook	- noting the key points making use of the various working papers	- Communicative skill	- Smartness
12. Conducting Test Checks	- Test checks	- ability to undertake test checks effectively	- Practical	
13. Helping the external auditors in the above matters	- All accounting records	- ability to furnish the required information	-do-	
14. Reviewing the systems and procedures for the purchase, storage and issue of materials	- different systems and procedures of purchase coverage and issue, followed by the organisation.  - established systems and procedures for purchases storage and issue of material			
15. Ensuring minimum normal wastage and elimination of abnormal wastage	- standard quantities of material required for different products	- ability to detect the extent of wastage	-do-	
16. Ensuring proper distinction between wastage, scrap, defectives, seconds.	- knowledge of wastage, scrap, defectives and seconds.	- ability to identify these categories and to evaluate them suitably.	-do-	
17. Examining that the abnormal wastage is properly treated in costing	- effect of abnormal wastage on total cost	ability to treat the abnormal wastage such that total cost of	-do-	



	2	3	4	5
18. Introducing suitable internal checks in purchase of stores and issue procedures	<ul style="list-style-type: none"><li>- internal checks</li><li>- effects of such checks</li></ul>		<ul style="list-style-type: none"><li>- ability to assess the suitability of the systems and procedures for hiring</li></ul>	<ul style="list-style-type: none"><li>- Communicative skills</li><li>- Smartness</li><li>- Practicals</li></ul>
19. Reviewing the systems and procedures for hiring and compensating the labour force	<ul style="list-style-type: none"><li>- hiring procedures and systems</li><li>- systems of wage payment</li><li>- incentive plans</li></ul>		<ul style="list-style-type: none"><li>- ability to assess the suitability of the systems and procedures for hiring</li></ul>	<ul style="list-style-type: none"><li>- do-</li></ul>
			<ul style="list-style-type: none"><li>- determining the appropriateness of the systems of wagement and suggesting improvements</li></ul>	<ul style="list-style-type: none"><li>- do-</li></ul>
20. Suggesting steps to eliminate abnormal wastage of labour	<ul style="list-style-type: none"><li>- effect of abnormal labour wastage on total cost</li></ul>		<ul style="list-style-type: none"><li>- ability to treat the abnormal labour wastage such that the total cost of production is not effected</li></ul>	
21. Checking the time- booking and time-keeping records	<ul style="list-style-type: none"><li>- time booking</li><li>- time keeping devices</li><li>- standard time requirements</li></ul>		<ul style="list-style-type: none"><li>- ability to use the time keeping devices</li><li>- ability to compare the time booked with the standard time</li></ul>	<ul style="list-style-type: none"><li>- do-</li></ul>



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22. Ensuring maximum utilisation of fixed costs

- types of costs, i.e. fixed, variable and semi-variable
- ability to reduce the fixed cost to the minimum for unit of production
- suggesting maximum use of the installed capacity

23. Internal audit

- (i) examining the system of accounting in force
- (ii) testing the validity (soundness) of the internal controls.
- (a) different systems of cost accounting
- (b) characteristics of sound systems of internal control
- (a) ability to assess the cost under different systems
- (b) ability to test and improve upon the internal control



## 4. COURSE OBJECTIVES

### 4.1 COURSE OBJECTIVES: ACCOUNTANCY AND AUDITING

#### I. Cognitive Objectives:

1. Various concepts, principles, practices and procedures of Accountancy & Auditing.
2. Various books, records, documents and vouchers basic to accounting activity.
3. Various returns and statements prepared by the accounts department from time to time.
4. Negotiable instruments and banking practices relevant for maintaining books of accounts.
5. Costing principles and techniques

#### II. Skill Objectives: To enable the students to attain proficiency in:

1. Writing cashbook and other daybooks, journal proper, ledger etc.
2. Preparing final accounts, reconciliation statements, and other returns and statements.
3. Preparing various cost statements - presentation of costing information.
4. Carrying out audit work such as detection of errors and frauds, preparation of audit programme, maintenance of audit notebook, working papers and other records, evaluation of internal controls, verification, valuation and vouching.

#### III. Personality traits objectives: To enable the students to inculcate personality traits like:

- accuracy, efficiency, neatness, promptness, judgement and commonsense, analytical ability, courtesy
- To enable students to appreciate that the accounting structure is based on some definite principles which have general applicability.



5. STUDY AND EXAMINATION SCHEME

NAME OF THE PAPER	INSTRUCTIONAL HOURS PER WEEK (FOR 32 weeks)	MAXIMUM MARKS
<u>CLASS XI</u>		
1. Financial Accounting I	7	100
2. Elements of Costing	7	100
3. Financial Accounting and Costing (Practicals)	7	100
	<u>21</u>	
<u>CLASS XIII</u>		
1. Financial Accounting II	7	100
2. Auditing	7	100
3. Final Accounting & Auditing (Practical)	7	1000
	<u>21</u>	



## 6. COURSE CONTENT

### PAPER I : FINANCIAL ACCOUNTING I

1. Book-keeping and Accountancy - meaning, need and importance, terms used in accounting of business transactions, elements of double entry system of book-keeping, Accounting equation, Accounting cycle.
2. Rules for Journalising - types of accounts, rules for debit and credit, simple and compound journal entries.
3. The Ledger - utility of ledger, types of ledgers, posting, balancing of account.
4. Banking transactions - opening of bank accounts and their operations. Bank Guarantee and Letter of Credit.
5. Cash Book - utility of maintaining cash book, types of cash book, single column, double column and triple column cash book, petty cash books.
6. Bank Reconciliation Statement - reason of disagreement of cash book and pass book balances, preparation of reconciliation statement.
7. Bills of Exchange - terms used in connection with bill transactions, drawing and accepting, endorsing, honouring and dishonouring, noting, renewal, retiring/other negotiable instruments: Promissary Notes, Hundies.



8. Other books of original record - Sales book, purchases book, sales return book, purchases return book, bills receivable book, bills payable book, Journal Proper.
9. The Trial Balance - Meaning and need, method of preparation. Errors and their rectification, the Suspense Account, Distinction between Capital and Revenue items, Deferred entries and closing entries.
10. Final accounts - Manufacturing, Trading and Profit and Loss Account, Balance Sheet, reconciliation of items.  
Adjustments - expenses and incomes due/prepared, depreciation provisions and reserves.
11. Consignment accounts - Consignor, consignee, Proforma Invoices, Account Sales, recording currency transactions including that of goods returned, advances from consignee, commission, normal loss and abnormal loss.
12. account current and Average Due Date

## PERIOD II: ELEMENTS OF COSTING

1. Elements of Costing - Objectives and advantages, elements of cost, distinction between direct and indirect cost.
2. Materials: Purchase and stores, Purchase Requisition, Selection of Source, Purchase Order, Fixation of Stock Levels (Maximum, Minimum, reorder), receipt and inspection of material, issue of material, Bin card, pricing of issues (FIFO, LIFO and weighted average methods only) stores ledger, Perpetual Inventory Control, Preparation of Materials Abstract.



3. Labour Time Keeping, Time booking, Pay roll preparation, the deduction from wages for P.F., E.S.I., E.F.P.S. (Employees Family Pension Scheme), Income-tax, Statutory Provisions (elementary), Pay disbursement, methods of wage payment, Incentive schemes (Halsey and Ravan Schemes only) wages abstract, treatment of idle time and overtime.
4. Overhead classification, collection and allocation of overhead (Primary distribution, Secondary distribution, direct repeated distribution method, simultaneous equation method) absorption of overhead - Labour hour rate, machine hour rate.
5. Reconciliation of cost and financing accounts.
6. Marginal Costing: meaning and uses, marginal cost statements, marginal cost equations, calculator of p/v ratio, break-even analysis (simple exercise)
7. Integrated system of Cost Accounting

PAPER III: FINANCIAL ACCOUNTING AND COSTING (PRACTICAL)

1. Preparing through practice set-  
Basic Vouchers such as cash memo, receipts, bills, invoices, account sales, debit notes, credit notes, bills of exchange, promissory notes, cheques, ledger accounts, use of (Klanzow) binder-ledgers.



2. Performing through practice set activities covering -  
Preparation of trial balance, and final accounts, passing adjustment entries  
and preparing bank reconciliation statements.
3. Calculating cost of labour and materials with the help of a practice set-consisting  
of information like opening balance (stock), material purchased, closing stock,  
normal wastage, scrap and idle time.
4. Preparing cost sheet with the help of a practice set-comprising of all elements  
of cost.
5. Demonstrating calculation of p/v ratio and its application in various situations  
on the basis of practice set.
6. Procedure for exchanging the soiled currency notes. Filling the proforma for this purpose.

#### SYLLABUS FOR CLASS I - XII

#### PAPER I - FINANCIAL ACCOUNTING

1. Accounts from incomplete records - ascertainment of profit by preparing statement  
of affairs, conversion into double entry, final accounts from incomplete records (simple  
exercises).
2. Accounts of non-trading concerns - Receipts and Payments Account, Income and Expenditure  
account. Preparing Income and Expenditure Account from Receipt & Payment Account with simple  
adjustments.



3. Partnership Accounts: Fixed and fluctuating capital accounts, distribution of profit.

Admission, retirement/death of a person: - treatment of goodwill revaluation of assets and liabilities.

Termination of partnership: Insolvency of a partner (simple exercises).

Sale of a partnership to a company (simple exercise).

4. Company Accounts: Issue of shares par at premium and at discount for forfeiture and re-issue (simple exercises).

PAPER II: AUDITING:

Unit - I: Meaning and Need of auditing: Scope of Audit, Principles of auditing, Procedures of auditing;

Unit-II: Objects of audit; detection and prevention of errors and frauds, Classification of errors and frauds. Distinction between auditing and accountancy, and Audit and Investigation.

Unit-III: Qualities of an auditor; duties of an auditor, classification of auditors; continuous audit, periodical audit, partial audit, interim audit, internal audit, external audit, Statutory and compulsory audit.



Unit-I: Conduct of audit; preparation for audit; Audit programme, Audit Notebook, Working papers;

Unit-V: Internal Controls: meaning and objects; Internal check - meaning and objects; Examples of good internal checks, duties of auditor in regard to internal check, Test checks, Precautions in Test checking;

Unit-VI: Internal Audit - meaning and definitions objectives, limitations of internal audit; Difference between Internal check and Internal Audit;

Unit-VII: Audit - meaning and definitions, objects of vouching; Voucher; Essential steps for vouching; Vouching of cash purchases & sales, capital and Revenue expenditure and income, and other

Unit-VIII: Verification & Valuation of Assets & Liabilities:

Meaning and objectives of verification; procedure of valuation & Verification; Verifications of different assets such as - machines tools, furniture, work in progress, Goodwill, Instruments, land & buildings; Cash & Bank balances. Inventory Details, Bills receivable credits, Bills payables, loans, outstanding expenses.

Unit-IX: Cost Audit: Meaning and objects - Difference between financial audit and cost audit; Audit of a cost audit & commencement of cost audit; cost audit performance; Cost audit and report.

Unit-X: Investigation: Meaning and objects, Types of investigation, Investigation Report



Unit-XI: Audit Report: Meaning & Objects, types of reports.

PAPER III: (2nd Year) FINANCIAL ACCOUNTING AND AUDITING(Practicals)

1. Acquainting the students through demonstration and practice of different types of accounting, cash registers and calculating machines.
2. Practicals designed to differentiate between capital and revenue expenditure from a list of expenditure.
3. Guiding students in preparing an audit programme.
4. Preparing debtors' and creditors' schedules and schedules for assets and liabilities.
5. Preparing Income & Expenditure accounts and receipts and payments accounts with the help of a practice set. Covering income and expenditure accounts from Receipts and Payments Accounts and vice versa.
6. Guiding students to study annual reports of some companies with a view to calculate profitability, liquidity, debt-equity ratios and interpretation thereof.
7. Providing practice of filling in Income-tax returns, Sales Tax returns etc.
8. Providing experiences in filing, indexing and office noting.
9. Two to three weeks attachment with a business firm/organisation for exposure to practical environment and work.



7. BOOKS RECOMMENDED

1. ACCOUNTANCY:

1. T.S. Grewal - Antroduction to Accountancy, Sultan Chand - Delhi.
2. J.N. Vaish - Principles of Accountancy Vols I & 2, S.Chand & Co. New Delhi.
3. Krishan Kalyankey - Elements of Accounts and Business Arithmetic, Newton Publishers, New Delhi.
4. S.N. Maheshwari:- Principles of Accountancy, Arya Book Dopot, New Delhi.
5. Dr. Balbir Singh and S.K. Bhatia:- Adhunik Lekha Pranali Parts 1 & 2, Geeta Publishing House, New Delhi.
6. A.N. Aggarwala - Principles of Accountancy, Kitab Mahal, Allahabad.

ELEMENTS OF COSTING

1. Maheshwari & Mittal - Elements of Cost Accounts, Mahabir Book Dopot, New Delhi.
2. A.K. Saxena - Layat Lekhankar, Sultan Chand, New Delhi.
3. Narang & Schgal - Cost Accountancy, Somairja Publishing Company, Bombay.

AUDITING

1. J.R. Batliboi - Principles and Practice of Auditing, The Standard Accountancy Publishing Pvt. Ltd., Bombay.



- 2\* Porry & Taylor - Principles of Auditing
- 3\* Kamal Gupta - Contemporary Auditing McGraw Hill India Ltd., Bonbay.
4. B.N.Tandon - Principles of Auditing S.Chand & Co. Ltd, New Delhi.
5. R.F.Maheshwari & B. Singh - Principles & Practice of Auditing, Pitamber Publishing House, New Delhi.
6. T.R. Sharma - Auditing, Sahitya Bhawan, Agra.
- 7\* De Paula - Principles of Auditing

\*These books are meant for teachers.



8. ACADEMIC STAFF REQUIREMENT

STAFF REQUIREMENT: 2 Full time Lecturers  
2 Part timers who are to be drawn from the field.

Qualifications:

M.Com with Adv.Accountancy and Auditing atleast upto  
B.Com.

OR

C.A./I.C.W.A./A.C.S.

Part timers should be persons from field of Accounts/  
Practising C.A./I.C.W.A./C.A. Inter



9. SPACE REQUIREMENT (Intake: 30 Students)

	<u>Area in m<sup>2</sup></u>
1. Two Class rooms each of 50 m <sup>2</sup>	100
2. Accountancy Lab	60
	<hr/>
Total:	160
add 40%	64
	<hr/>
Total Space:	<u>224</u>
Say:	<u>225 m<sup>2</sup></u>

Plus common facilities such as Lecturers' Cabins,  
Students' Common Room, Audio-visual Room, Library and  
Reading Room and Office.



## 10. EQUIPMENTS AND MATERIAL

1. Tables & Chairs for students - For class rooms :	60
For Laboratory :	30
2. Teachers' Tables & Chairs -	: 3
3. Aisle for Classrooms & Lab. -	: 3
4. (a) Glass Board measuring 4m x 1m in the lecture halls and the Lab to be fitted with one panel measuring 1m x 1m with graphs.	: 3 (costing Rs.1000 each approx)
(b) Bulletins Boards	
5. Cheque writing machine	1
6. Pocket calculators	30 (costing Rs.1000 each approx.)
7. Desk calculators	10 (costing Rs.2000 each approx.)
8. Films/Film strips on Accountancy	- - -
9. Material:	Lodger Loose Leaf (Kalamazoo binders), different Pay-in-slips, Bank Pass books, P.F. Pass Books Income tax Returns, Sales tax returns, Ready reckonors, file covers, ruled and plain sheets, pencils of different colours. (overhead Projector, Film Projector, Hammel Board, Chalk Boards, Dusters etc.).